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SCOTT ELLIOTT

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August 8, 2012

**VIA ELECTRONIC FILING**

Jocelyn Boyd, Esquire  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Drive  
Columbia, SC 29210

RE: Application of Tega Cay Water Service, Inc. for Adjustment of Rates and Charges and  
Modifications of Certain Terms and Conditions for the Provision of Water and Sewer  
Service  
Docket No. 2012-177-WS

Dear Ms. Boyd:

Enclosed please find for filing in the above-referenced matter the following documents:

1. Application of Tega Cay Water Service, Inc. for Adjustment of Rates and Charges and Modifications of Certain Terms and Conditions for the Provision of Water and Sewer Service;
2. Motion for Appearance of a Hearing Officer; and
3. Proposed Notice of Filing and Hearing.

By copy of this letter, I am serving all parties of record. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.

Scott Elliott

SE/mjl

Enclosures

cc: All parties of record w/enc.

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2012-177-WS**

IN RE: Application of Tega Cay Water	)	
Service, Inc. for Adjustment of	)	
Rates and Charges and Modifications	)	<b>APPLICATION</b>
to Certain Terms and Conditions	)	
for the Provision of Water and Sewer	)	
Service	)	

Tega Cay Water Service, Inc. ("Applicant" or "Company") would respectfully show unto, and request of, the Commission as follows:

**BACKGROUND**

1. Applicant is a corporation organized and existing under the laws of the State of Delaware and authorized to do business in the State of South Carolina.

2. Applicant is a public utility, as defined by S.C. Code Ann. §58-5-10(4), providing water and sewer service to the public for compensation in York County, South Carolina pursuant to rates approved by the Commission in Docket No. 2009-473-WS, Order No. 2010-557, dated August 16, 2010.

3. All communications or inquiries regarding this Applicant should be directed as set forth below:

Charles L.A. Terreni  
Terreni Law Firm, LLC  
1508 Lady Street  
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## **REQUEST FOR RATE RELIEF AND APPROVAL OF RATE SCHEDULE MODIFICATIONS**

4. Pursuant to S.C. Code Ann. §58-5-240 and 26 S.C. Code Ann. Regulations RR. 103-712.4.A and 103-512.4.A, Applicant requests that the Commission approve the monthly water and sewer service charges set forth in the seven (7) page rate schedule attached hereto and incorporated herein by this reference as Exhibit “A”. Pursuant to 26 S.C. Code Ann. Regulations RR. 103-703, Applicant further proposes a modification to the terms and conditions for the provision of water service to provide that water used through a fire hydrant for the purposes of flushing or fire fighting is not required to be metered.

### **SUPPORTING DOCUMENTATION**

5. Applicant proposes a test year of January 1, 2011 to December 31, 2011 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit “B”, pages 1 through 12. These financial statements include the following:

- a. Balance sheet (Schedule A)
- b. Current and pro forma income and expense statements (Schedule B)
- c. Rate base and rate of return information (Schedule C).<sup>1</sup>

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<sup>1</sup> These calculations are for informational purposes only as Applicant will submit evidence with respect to proper returns on equity and rate base at hearing.

Applicant also submits, as Exhibit “B” pages 13 through 18, the following information in support of the Application:

- d. Water and sewer consumption analyses (Schedule D)
- e. Water and sewer proposed revenues (Schedule E)
- f. Schedule of current and projected customers (Schedule F)
- g. Effect of proposed rates (Schedule G)

6. Attached hereto and incorporated herein by this reference as Exhibit “C” is the most recent approval letter from the South Carolina Department of Health and Environmental Control (“DHEC”).

7. Attached hereto and incorporated herein by this reference as Exhibit “D” is the Company’s current customer bill form.

8. Attached hereto and incorporated herein by this reference as Exhibit “E” is evidence of the Company’s most recent Gross Receipts Tax filing.

9. The Company’s Annual Report for the last period is on file with this Commission.

10. The Company’s current rate schedule as approved by Order No. 2010-557 dated August 16, 2010 is on file with this Commission.

11. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720.

12. A map depicting Applicant’s current service area is on file with the Commission.

13. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with

Commission Rules R. 103-512.4 and R. 103-712.4 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.<sup>2</sup>

#### **NEED AND JUSTIFICATION FOR RATE RELIEF**

14. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, cover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. Said rates proposed are also necessary in order that the Applicant may comply with the standards and regulations set by DHEC and other environmental regulatory authorities. Said rates will preserve the financial integrity of Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality water and sewer services.

#### **REQUEST FOR RATE BASE TREATMENT**

15. Applicant further submits that given its substantial plant investment, and specifically the rate base reflected on Schedule C of Exhibit "B", Applicant is entitled to have the reasonableness of its proposed rates determined in accordance with the rate base methodology. Accordingly, Applicant requests rate base treatment in this proceeding.

**WHEREFORE**, having fully set forth its Application, Tega Cay Water Service, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.

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<sup>2</sup> Because Applicant utilizes a composite depreciation rate of 1 ½%, no depreciation schedule by categories of plant or average service lives exists. The Applicant will, of course, make available during the audit copies of the Company's depreciation workpapers.

Respectfully submitted,

TERRENI LAW FIRM, LLC



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Attorneys for Applicant Tega Cay Water  
Service, Inc.

Columbia, South Carolina

August 8, 2012

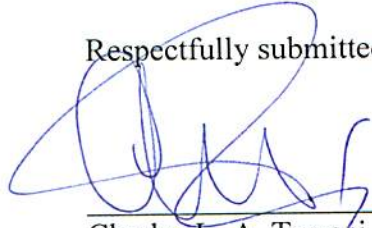
BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

Docket No.: 2012-177-WS

In the Matter of Application of	)	
	)	
Tega Cay Water Service, Inc. for	)	MOTION FOR APPOINTMENT
Adjustment of Rates and Charges and	)	OF A HEARING OFFICER
Modifications to Certain Terms and	)	
Conditions for the Provision of Water	)	
and Sewer Service	)	

The Applicant in the above referenced matter moves the Commission for the appointment of a Hearing Officer in the above referenced matter in order to expedite the consideration of procedural and non-dispositive motions in accordance with the Commission's regulations.

Respectfully submitted,



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Columbia, South Carolina  
August 8, 2012

THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

**DOCKET NO. 2012-177-WS**

**APPLICATION OF TEGA CAY WATER SERVICE, INC. FOR ADJUSTMENT OF RATES AND CHARGES AND MODIFICATIONS TO CERTAIN TERMS AND CONDITIONS FOR THE PROVISION OF WATER AND SEWER SERVICE**

On August 8, 2012, Tega Cay Water Service, Inc. ("Tega Cay" or "Company") filed an Application with the Public Service Commission of South Carolina ("Commission") for an adjustment of the Company's rates and charges and modification of certain terms and conditions for the provision of water and sewer service. Tega Cay is a public utility, as defined by S.C. Code Ann. § 58-5-10(4), providing water and sewer service to the public for compensation in certain area of South Carolina pursuant to rates approved by the Commission in Docket No. 2009-473-WS.

Pursuant to S.C. Code Ann. § 58-5-240 and 26 S.C. Code Ann. Regs 103-512.4.A and 103-712.4.A, the Company requests that the Commission approve an increase in its monthly water and sewer service rates. Pursuant to R. 103-703 (1976), Applicant further proposes a modification to the terms and conditions for the provision of water service to provide that water used through a fire hydrant for the purposes of flushing or fire fighting is not required to be metered.

In support of its request for an adjustment in the Company's water and sewer rates, terms and conditions, Tega Cay asserts, among other things, that the proposed water and sewer rate increases are necessary in order that it may provide reasonable and adequate service to its customers, comply with standards and regulations set by the Department of Health and Environmental Control and other governmental agencies which regulate the environmental aspect of the Company's business, cover its expenses, earn a reasonable return on its investment, and attract capital for future improvements. The Company also asserts that the proposed water and sewer rate increases are necessary to preserve its financial integrity and to permit continued investment in and maintenance of its facilities so as to provide reliable and high quality services.

**THE PROPOSED CHANGES IN THE RATES AND CHARGES ARE SET FORTH BELOW**  
(The complete rate schedule is available from the Company at the address below and on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov))



## WATER

Monthly Charges	Current	Proposed
<u>Residential (per single family house, condominium, mobile home, apartment unit)</u>		
<u>Charge for Water Distribution Only</u>		0
<u>Residential</u>		
Basic Facilities Charge	\$8.71 per unit*	\$ 11.85
Commodity Charge	\$2.06 per 1,000 gallons or 134 cft	\$ 2.75 per 1,000 gallons or 134 cft

\*Residential customers with meters of 1" or larger will be charged commercial rate

<u>Commercial</u>		
Basic Facilities Charge	\$8.71	\$ 11.85
Per single family equivalent (SFE)	\$2.06 per 1,000 gallons or 134 cft	\$ 2.75 per 1,000 gallons or 134 cft
Commodity Charge		

Annual Fire Hydrant Fee	\$117.23 per hydrant per year	\$ 135.48 per year
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## SEWER

Monthly Charges	Current	Proposed
Residential monthly charge	\$39.06 per unit	\$ 65.19 per unit
Per single-family house, condominium, villa, or apartment unit		
Commercial – monthly charge	\$39.06 per SFE*	\$ 65.19 per Single Family Equivalent

\*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities – 25 S.C. Code Ann. Regs 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

A copy of the Company's Application can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk's office, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, Tega Cay's Application is available on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov).

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina 29210 beginning on \_\_\_\_\_.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before, \_\_\_\_\_, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. Please refer to Docket No. 2012-177-WS.

Any person who wishes to be notified and testify and present evidence at the hearing should notify the Clerk's Office, in writing, at the address below: the Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201, and Charles L.A. Terreni, Esquire, Terreni Law Firm, LLC, 1508 Lady Street, Columbia, South Carolina on or before \_\_\_\_\_, and indicate the amount of time required for his presentation. Please refer to Docket No. 2012-177-WS.

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence should notify the Clerk's office, in writing, at the address below: the Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201, and Charles L.A. Terreni, Esquire, Terreni Law Firm, LLC, 1508 Lady Street, Columbia, South Carolina 29201 on or before \_\_\_\_\_. Please refer to Docket No. 2012-177-WS.

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Clerk's office, in writing, at the address below on or before \_\_\_\_\_. Please refer to Docket No. 2012-177-WS.

**PLEASE TAKE NOTICE:** Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Rules of Practice and Procedure should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina  
Attn: Clerk's Office  
Post Office Drawer 11649  
Columbia, SC 29211

## CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE:

Application of Tega Cay Water Service, Inc. for  
Adjustment of Rates and Charges and Modifications to  
Certain Terms and Conditions for the Provision of Water  
and Sewer Service

Docket No. 2012-177-WS

PARTIES SERVED:

C. Dukes Scott, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29211

Jeffrey M. Nelson, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

PLEADING:

Application of Tega Cay Water Service, Inc. for  
Adjustment of Rates and Charges and Modifications to  
Certain Terms and Conditions for Provision of Water and  
Sewer Service

Motion for Appearance of a Hearing Officer

Proposed Notice of Filing and Hearing

August 8, 2012

  
MaryJo Lawracy  
Legal Assistant